

21 March, 2001

RAJYA SABHA

project with an installed capacity of 740 MW has already been commissioned on 13th May, 1999. Construction work is in progress in the second phase of the project with a capacity of 1444 MW.

(c) As informed by the Government of Maharashtra, the total cost of the 2184 MW Dabhol Power Project is around US\$ 2501.2 million.

Losses to MSEB

2814. SHRI SANJAY NIRUPAM: Will the Minister of POWER be pleased to state:

(a) whether the CAG in its report for the year ending 31st March, 1999 has reported that Maharashtra State Electricity Board has lost revenue of Rs. 2000 crore during the last 15 years; and

(b) if so, the measures Government have taken to ensure that State Electricity Boards manage their affairs efficiently to check such losses and to check frequent load sheddings?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) CAG in his report for the year ending 31st March, 1999 made observations on the physical and financial performance of power sector in Maharashtra during the 7th Plan period specifically on distribution and transmission system. Audit comments relate to cost and potential losses of revenue due to delay in commissioning of different projects during 7th Plan and the loss of generation due to low Plant Load Factor (PLF), higher T&D losses resulting in avoidable loss of revenue and loss of additional revenue due to non-completion of some district integrated schemes and non-installation/short fall in installation of shunt capacitors leading to loss of revenue.

(b) Poor financial health of State Electricity Boards (SEBs) etc. have necessitated reforms and restructuring of the power sector. The

Conference of Chief Ministers'/Power Ministers' held on 3.3.2001 resolved that there is a need to speed up implementation of Power Sector Reforms. The conference *inter-alia* resolved that:

- (i) Energy audit at all 11 KV feeders must be made effective within the next 6 months and accountability fixed at the local level.
- (ii) An effective Management Information System for this purpose needs to be made operational.
- (iii) On the basis of the above, an effective programme needs to be launched for identifying and eliminating power thefts in the next 2 years.
- (iv) Full metering of all consumers had been targeted for completion by December 2001. Special efforts should be made to complete the programme.
- (v) Commercial viability has to be achieved in distribution in 2-3 years through any or all of the following:
 - Creating profit centres with full accountability,
 - Handing over of local distribution to Panchayats/Local Bodies/Franchisees/Users Associations, wherever necessary,
 - Privatisation of distribution,
- (vi) Current operations on distribution would need to reach break even in two years and achieve positive returns thereafter.

The Government of India is signing MOUs with States committing to achieve reform related milestones. So far the States of Karnataka, U.P., M.P., Haryana, Gujarat, Andhra Pradesh and Maharashtra have signed MOUs with the Government of India.